

**Green Tier Advisory Committee**  
**Meeting Notes**  
**July 20, 2000**  
**1:00 PM to 4:00 PM**

Peter Wise, the meeting facilitator from Kestrel Management Services, opened the meeting by welcoming the group, reviewing the agenda, and asking committee members and observers of the meeting to introduce themselves.

**Welcome and Presentation of Green Tier Concept - Secretary Meyer**

After thanking the committee members for their participation and making a commitment to use their time well, DNR Secretary George Meyer spoke on the Green Tier concept and legislation.

- Gov. Thompson and the DNR request the committee's help to create "Green Tier" legislation
- The legislation must be completed by mid-November.
- DNR has not yet drafted the legislation to allow the committee's participation in its development
- Much experimentation has occurred and many models developed for greater and more economic environmental protection
  - EPA's Project XL and the Common Sense Initiative
  - Programs in Texas, Michigan, New Jersey, Massachusetts and Florida
  - Regulatory innovation protocols in the Netherlands, Denmark and Bavaria
  - Wisconsin's own Environmental Cooperative Program
- From this experimentation, one model is emerging as preferred, new level of regulation
  - Elevated tier or tiers of regulation
  - Businesses and municipalities meeting higher standards able to make more competitive and better environmental decisions
  - Examples include Oregon's Green Permit, New Jersey's Silver and Gold Track Program, Arizona's Voluntary Environmental Performance Program and EPA's stewardship track.
- Suggestions to committee:
  - Green Tier system should be relatively compatible with the EPA system
  - System must have public credibility
  - System must have sufficient incentives (e.g., financial, recognition)

**Review of Work Group Role and Proposed Schedule**

Jon Heinrich, Bureau of Cooperative Environmental Assistance, made the following points:

- Due to scheduling conflicts expressed by committee members, the dates for future meetings will be discussed at the close of this meeting.
- The Green Tier website will be used to communicate with committee members.  
To access the website:
  - Go to DNR home page at: [www.dnr.state.wi.us](http://www.dnr.state.wi.us).

- Select "Cooperative Environmental Assistance" in the bureau drop-down list at the bottom of page.
  - Select "Green Tier Regulatory Proposal."
  - In the future, "Green Tier" will be listed on the home page's topic drop-down list for a more direct connection to the Green Tier website.
- The Department is interested in what the committee has to say and we assure you that your input will affect the outcome, i.e., the Green Tier legislative proposal.
- We are available outside of this meeting to serve the members and provide information. Jon's e-mail address is [heinrj@dnr.state.wi.us](mailto:heinrj@dnr.state.wi.us).

**Peter Wise made the following comments on the meeting process:**

- Meeting notes will be available on the Green Tier website.
- Facilitation style
  - Modified nominal group
  - Voting is not anticipated
  - A consensus will not be sought, but agreement will be noted and all perspectives will be given an opportunity to be presented.
- We are open to feedback on the meeting process.

**Discussion on Expectations and Objectives**

Peter Wise asked committee members for their expectations. Committee members provided the following:

Note: Denotes √ an issue that more than one committee member raised.

- checkmark A clear and understandable proposal
  - Clear standards
  - Stated objectives
  - Anticipated benefits, especially compared to status quo
  - Safeguards and consequences (how measure and monitor)(What happens if we simply maintain the status quo?)
- Practical
- √ Broad acceptance
- √ Flexibility \ streamlining \ innovation (e.g., Title V and PSD - streamline parameters, innovative technology, offset credits and internal credits)
- Affordable
- √ Acceptable (all constituents and the community)
- Strong, consistent enforcement (fair to company and citizen)
- Transparent (public availability of environmental data)
- Effective and efficient business performance measure (easily assimilated with no new silos or special programs)
- √ Benefits outweigh costs (incentives to offset costs)
- Beyond compliance (unregulated areas for improving human health and environment)
- Burden less than that of command and control
- Rationalize environmental requirements (biggest environmental benefit from each dollar spent)

- Cultural change (government and industry)
- Value in participation
  - reengineer the how (cooperative environmental agreements)
  - redefine the what (e.g., integration of energy and environmental policy)
  - integrate the how and what
- Community approval replaces agency approval
- Learning organization results (system should be dynamic)

### **Generation of Issues List**

Peter Wise asked the committee to identify the most important issues that state government needs to clarify or address. Committee members provided the following:

Note: ✓ Denotes an issue that more than one committee member raised.

- Incentives defined
- Performance standards (how to evaluate success, how flexible)
- Flexibility in standards (what and when)
- Minimize transaction costs
- Role of third parties (citizens and auditors)
- Extent of operational flexibility
- Criteria for participation in program
- Role and definition of EMSs
- ✓ Credit for past performance with equity (do not penalize good actors)
- Accessible to all (flexibility regarding scale or company size with emphasis on small business)
- Include measurement (e.g., not everyone knows what "impaired waters" means)
- Trust (build into system)
- Jurisdiction \ Enforceability
- Transparency while protecting industrial confidentiality
- Flexibility in alliances (allow partners to the agreement)
- Certainty in commitments and responsibilities
- Environmental equity of trades (recognize disparate contaminant impacts - multiple pollutants and media)
- Enhanced environmental performance
- Learning organization (e.g. rule must be changed, allow what is learned in Green Tier to trickle down to Control Tier, DNR must also use what is learned, the Great Printers Project for example)
- Self auditing
- Grandfathering expectations \ commitments in Green Tier (What if command and control jumps over Green Tier?)
- Raising the command and control tier (based on Green Tier success)

### **Issues contributed by observers include:**

- Unregulated environmental aspects
- Enforcement \ continuation of existing system \ penalties for failure \ role of enforcement (differentiation of sanctions for regulated and unregulated environmental aspects)

- Recognition, e.g. green labeling
- Adequate resources
- System efficiency and agency (staff) support
- Compatibility with EPA Performance Track (and other agency regulations?)
- Acceptance by EPA and other agencies

## Issues Development

With the list of issues completed, the Advisory Committee selected two issues, incentives and trust, for further development.

Incentives: Following are examples of incentives suggested by the Committee.

Note: (+) Denotes an incentive that a Committee member expressed strong support.

(-) Denotes an incentive for which a Committee member expressed a lack of support.

- Self permitting \ self governance (+,with caps or built in enforcement)(-)
- Tax credits (not only equipment, but materials and process modification)(+)
- Elimination of BAT prescribed technology requirements (+)
- Public recognition (+)
- Nonattainment offset flexibility for innovation in operations (internal credit for product substitution)
- Limited liability from third party actions
- State financial assistance for technology development (e.g., preference for grants and loans)
- Credit for past deeds - grandfathering (+)
- Administrative burden reduction (e.g., reduced monitoring and fewer inspections) (+)
- Acceptance of two-party agreements (e.g., contracts, BMPs) (+) Compliance deadline flexibility for better environmental performance
- Insurance risk \ cost benefits
- Lender preference (lower interest rates?)
- Expedited regulatory approvals
- Broad application of bubbling (e.g., between multiple facilities of same company and between different companies) (+)
- Penalty relief in enforcement actions

Observers of the meeting suggested the following examples of incentives.

- Government pays for data collection \ learning costs
- Products support sustainability (e.g., SUVs - how can you be a Green Tier company if you make a \$30,000 vehicle that gets 10 miles per gallon?)(-)(-)(+)
  - Incentives to reduce total life cycle costs (added by a Committee member)
- Facility-wide emissions limit (FEL) \ caps
- Define presumptive due diligence (we believe company acting in good faith)
- Incentives (\$) for elimination of certain chemicals (e.g. chlorine)

Trust: When asked what can we do in the Green Tier system to address the real and perceived lack of trust, Advisory Committee members provided the following.

- Transparency \ honesty
- Strong goal and purpose
- Credit for past deeds (e.g., grandfathering of commitment in agreement)
- Performance based \ measurable
- Community involvement in program (process) and specific agreements
- Commitment to continuous improvement by all parties including the agency
- Open about costs
- No backsliding
- Forgiveness of mistakes (mistakes OK if they are corrected)
- Federal recognition of program
- Enforcement \ accountability \ penalties
- Collaborative review of program

Meeting observers provided the following on the issue of trust:

- Abundant outreach and communication
- Opportunity to meet and discuss program performance with all participants equal
- Consistency in implementation

During the discussions, committee members expressed concerns, which were recorded on flip charts. The concerns were:

- Will compatibility with U.S. EPA limit the program? Should EPA be at the table now? (Marilou Martin, EPA – Region V, expressed willingness to provide EPA feedback in a timely manner.)
- A learning system not a program
- What have we gained through other initiatives? An assessment is desired of initiatives such as the Pulp and Paper Pollution Prevention Partnership, Cooperative Environmental Agreements, the Dry Cleaners Partnership, the Great Printers Project and others.

### **Formulation of Issues Agenda for Next Meeting**

Meeting notes will be posted on the Department's Green Tier website. Additional input is welcome. Contact Jon Heinrich at (608) 267-7547 or [heinrj@dnr.state.wi.us](mailto:heinrj@dnr.state.wi.us).

Next meeting's agenda:

- Items from the issue list (Issue Agenda) will be selected for further discussion.
- Information (e.g., case studies, anecdotal, actual results) will be provided on department's experience with other cooperative environmental initiatives

In response to a request by Peter Wise for guidance on preparing draft legislation, Becky Tradewell, Legislative Reference Bureau, suggested:

- Reach as much of an agreement as possible

- Be as specific as possible on intent, but do not expect to be able to specify exact wording

Jon Heinrich will e-mail Committee members to establish next meeting date. Tentative dates are August 24th and September 21st. Next meeting will likely be held at the UW Memorial Union.